HubSpot

Identifying and Overcoming the Crisis of Disconnection

Two key focuses to improve connections that lead to future growth and success

Executive Summary

Our current macroeconomic climate, meaning the economy on a large scale, isn't an easy one for businesses of any size to navigate. While most organizations are feeling the effects of inflation and other economic shifts, SMBs have been particularly impacted by this year's market conditions. HubSpot has compiled insights from research we've conducted over the last year in order to understand the biggest challenges SMBs are facing in today's economy and the solutions they're using to overcome them.

Top challenges facing today's SMBs include:

- Too-high expenses
- Increasing cost to reach prospects/customers
- Slowing growth

To navigate these challenges, companies are looking to:

- Develop alternative growth strategies
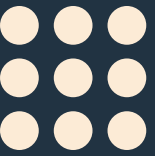- Increase efficiency through automation

Table of Contents

Introduction

The number one pain point found in our survey was disconnected systems.

As companies quickly shifted their focus to digital offerings and remote work, their reliance on apps and software grew exponentially.

But where does that leave us over two years after the start of the pandemic?

We are more disconnected than ever.

There is a crisis of disconnection happening, due to data hiding in cobbled point solutions, overly-saturated marketing channels, and an increasingly hybrid world.

Understanding the importance of connection – and the value of a streamlined tech stack with a single source of truth – is central to driving efficiency, effectiveness, and business growth.

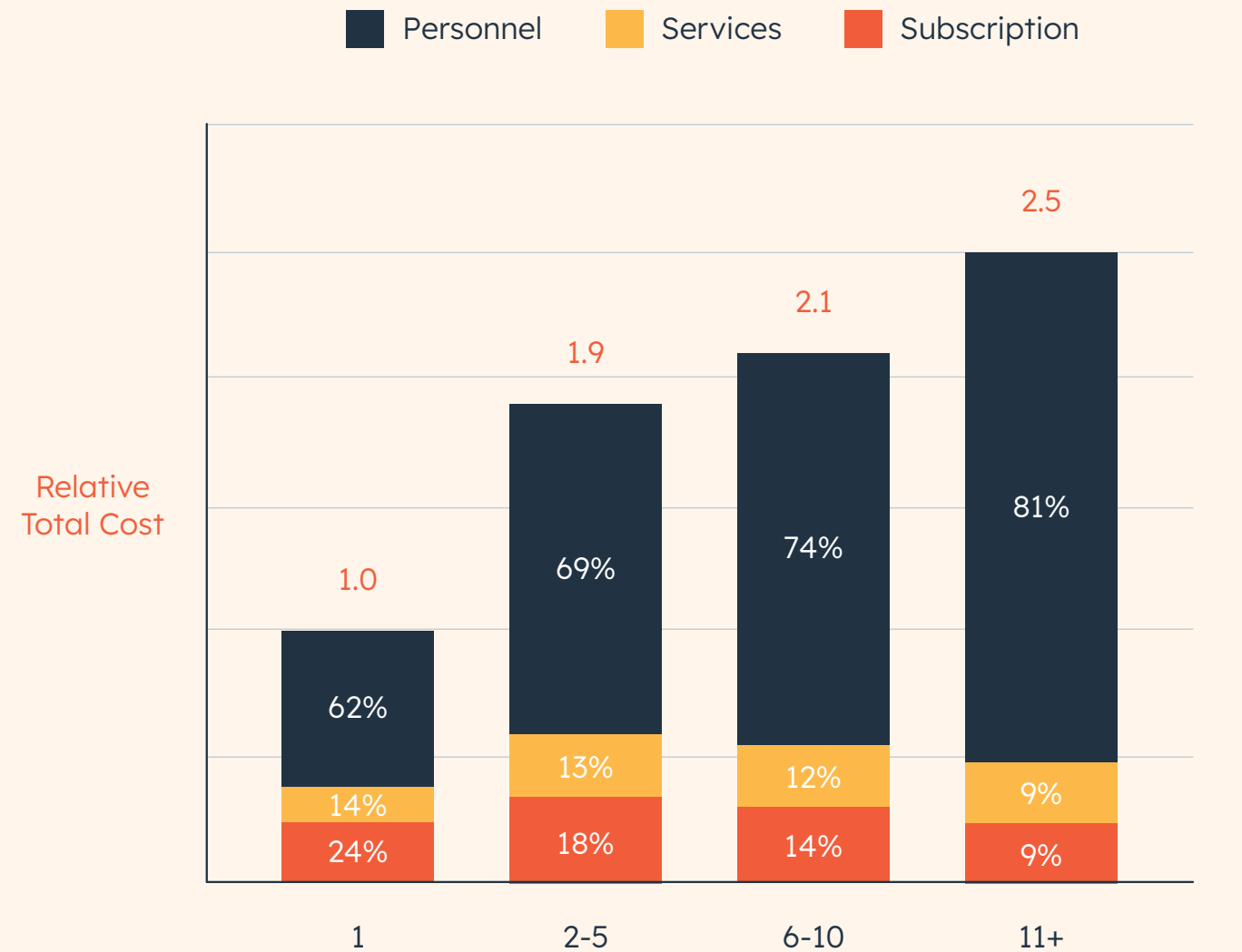Let's consider two key takeaways from our findings:

1 Efficiency

More Point Solutions = Higher Cost of Ownership

The more disparate solutions in your tech stack, the more you'll spend on maintenance, management, and the ever-increasing personnel costs associated with using multiple tools.

2 Effectiveness

More Point Solutions = More Connection Issues

When teams don't have shared access to an end-to-end view of every customer's journey, it's hard to break down silos – and deliver connected customer experiences.

Personnel   Services   Subscription

Relative Total Cost

2.5

2.1

1.9

1.0

	1	2-5	6-10	11+
Personnel	62%	69%	74%	81%
Services	14%	13%	12%	9%
Subscription	24%	18%	14%	9%

Average Relative Total Cost, Based on Cost of Ownership for 1 CRM App

Disconnection is a pervasive problem at organizations of all sizes and in all industries.
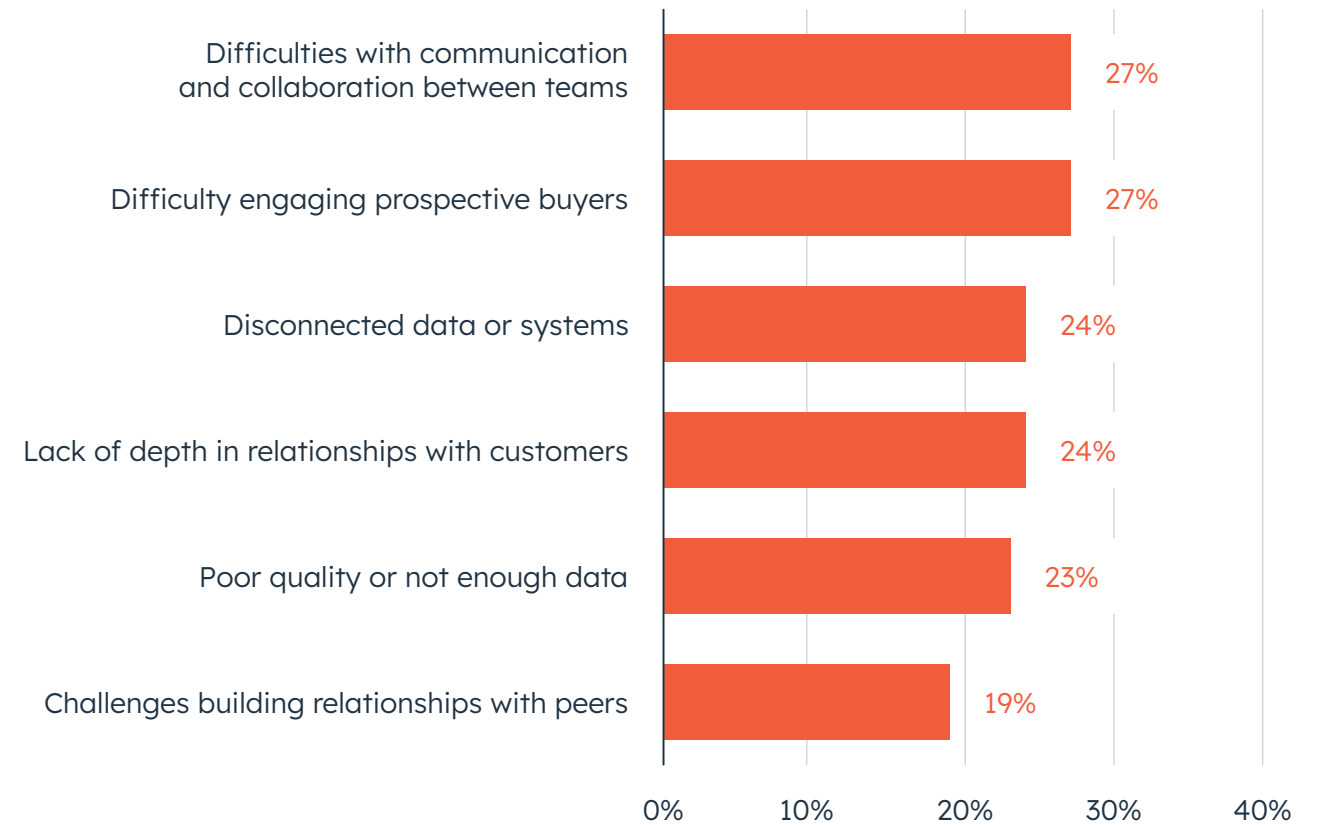
The top challenges associated with disconnection include:

1 Disconnected data or systems

2 Difficulties with internal collaboration and communication

3 Trouble engaging with prospective buyers

These are not minor issues; they can and often do lead to greater challenges down the line.

23%

Challenge	Percentage
Difficulties with communication and collaboration between teams	27%
Difficulty engaging prospective buyers	27%
Disconnected data or systems	24%
Lack of depth in relationships with customers	24%
Poor quality or not enough data	23%
Challenges building relationships with peers	19%

0%   10%   20%   30%   40%

Only 23% of businesses report excellent data connectedness

What This Means For You

During the pandemic, companies shifted to fully digital overnight. Many purchased point solutions in a frenzy, buying tools for every task, team, and department.

As a result, the average scaling company has hundreds of SaaS tools today.

The problem isn't only that companies have too many tools. It's also that too few of them are connected – creating frustrating experiences for employees, prospects, and customers alike. Each solution has its own purpose, without a hub to convert disparate data into actionable insights. Implementing more point solutions clearly isn't the answer – so what is?

Consolidating your tech stack is the first step. When the most important parts of your business are working hand-in-hand on a single platform, you can:
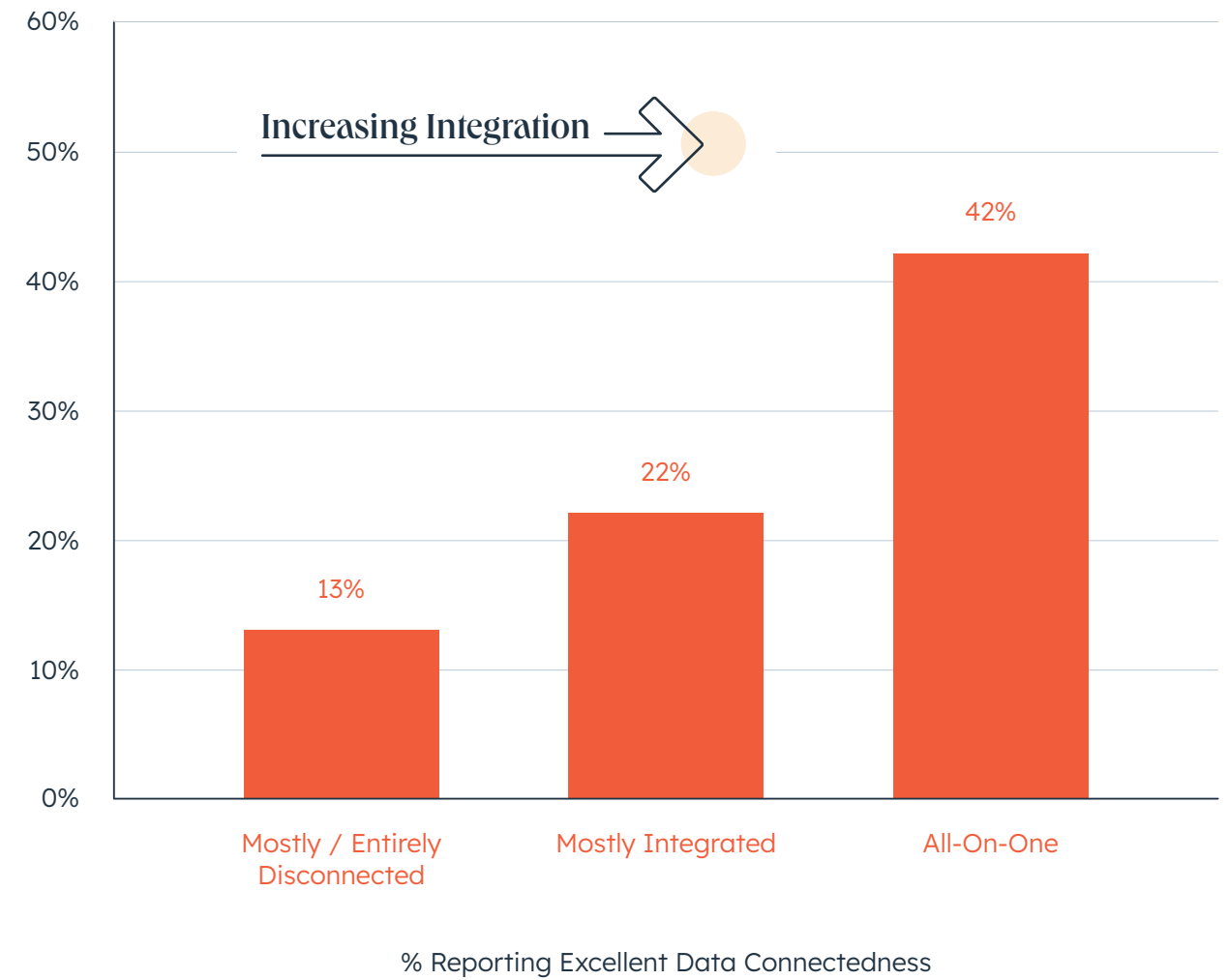
1. **Strengthen connections among your data and systems**

2. **Increase the ROI of your tech stack**

3. **Stay resilient in the face of economic challenges**

4. **Perform better towards your goals**

5. **Build stronger connections with customers**

When your CRM tools are all on one platform, you can have stronger connections among your data and systems.
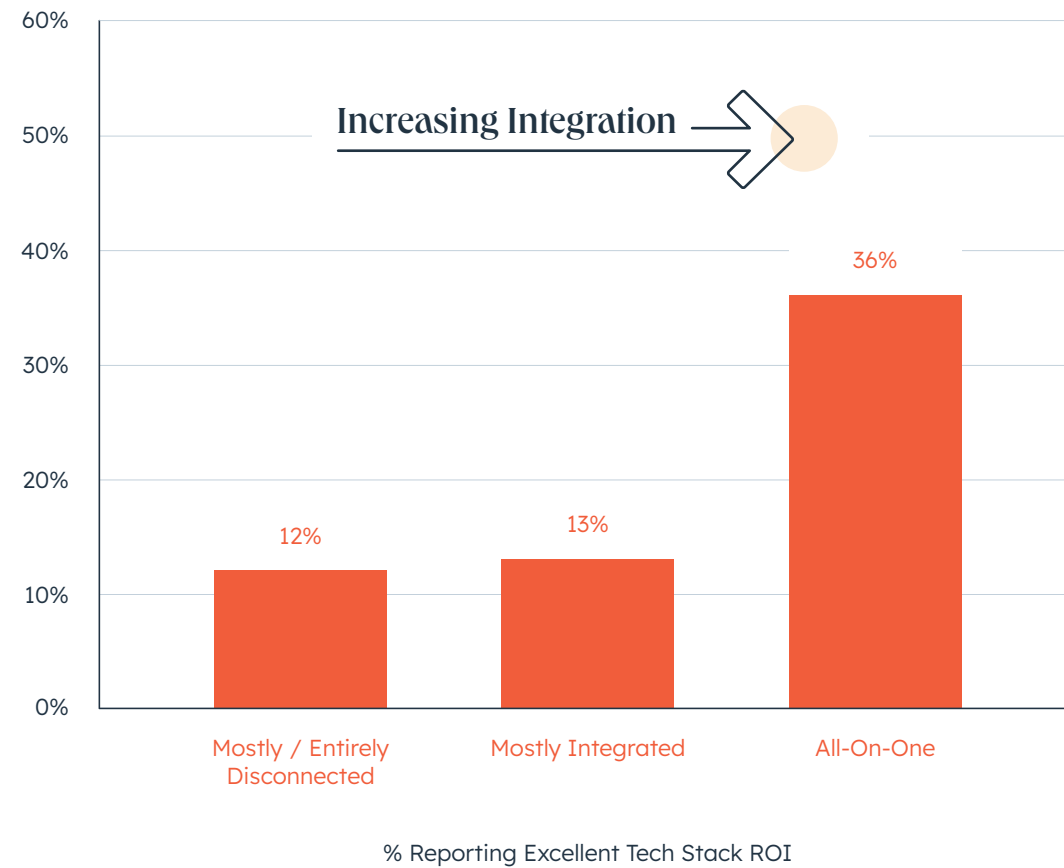
Those who reported having an all-on-one platform were more likely to report excellent data connectedness.

Increasing Integration →

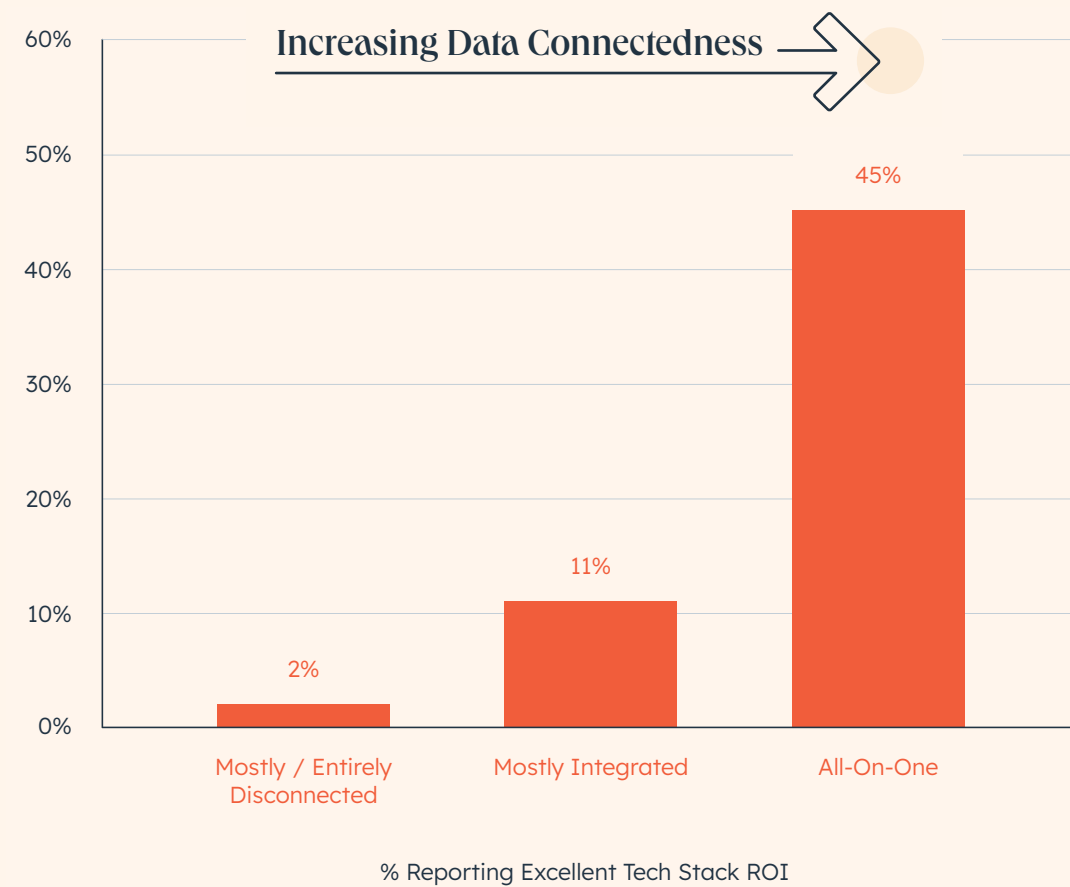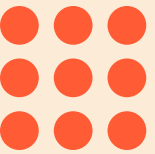|		42%
13%	22%	
Mostly / Entirely Disconnected	Mostly Integrated	All-On-One

% Reporting Excellent Data Connectedness

When your CRM tools are all on one platform, you can get greater ROI from your tech stack.

According to our survey, businesses with an all-on-one platform were more likely to report excellent tech stack ROI.
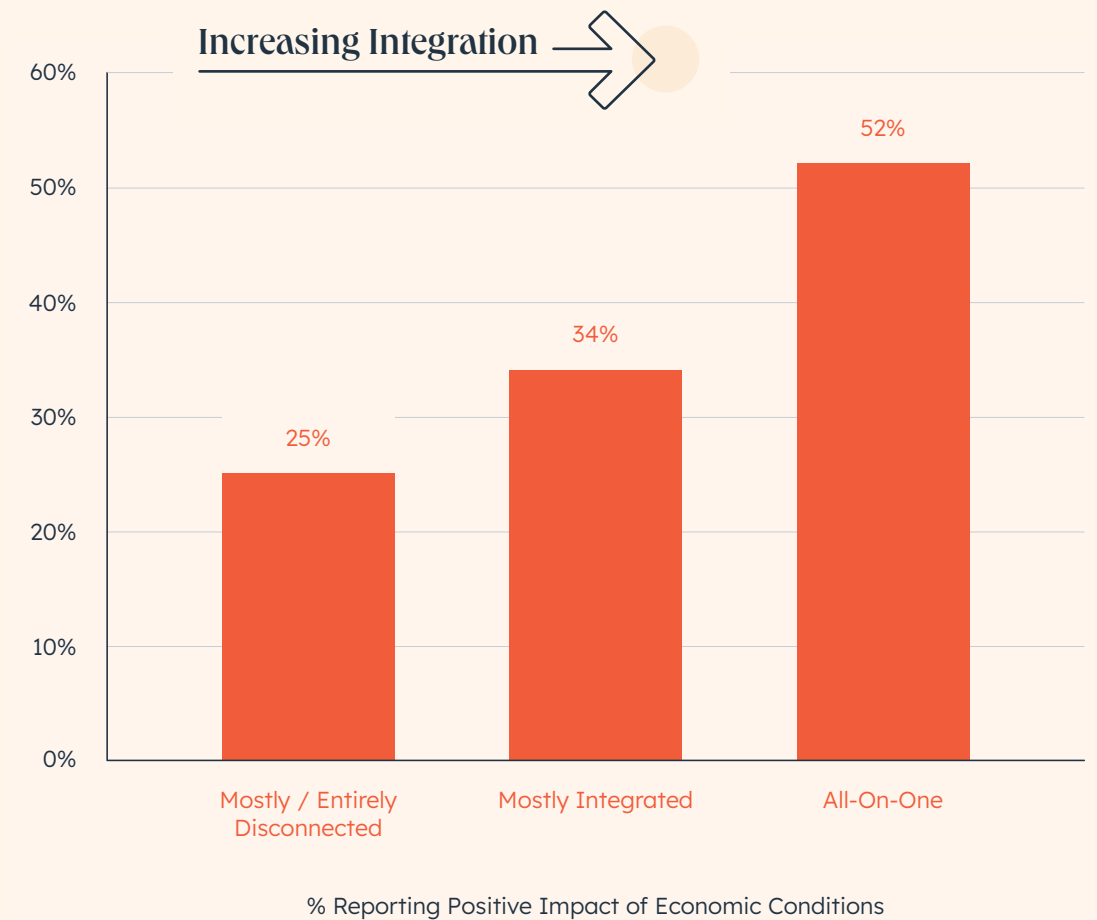
Increasing Integration →

		36%
12%	13%	
Mostly / Entirely Disconnected	Mostly Integrated	All-On-One

% Reporting Excellent Tech Stack ROI

Those who reported higher data connectedness also reported excellent tech stack ROI.

Increasing Data Connectedness →

% Reporting Excellent Tech Stack ROI

- Mostly / Entirely Disconnected: 2%
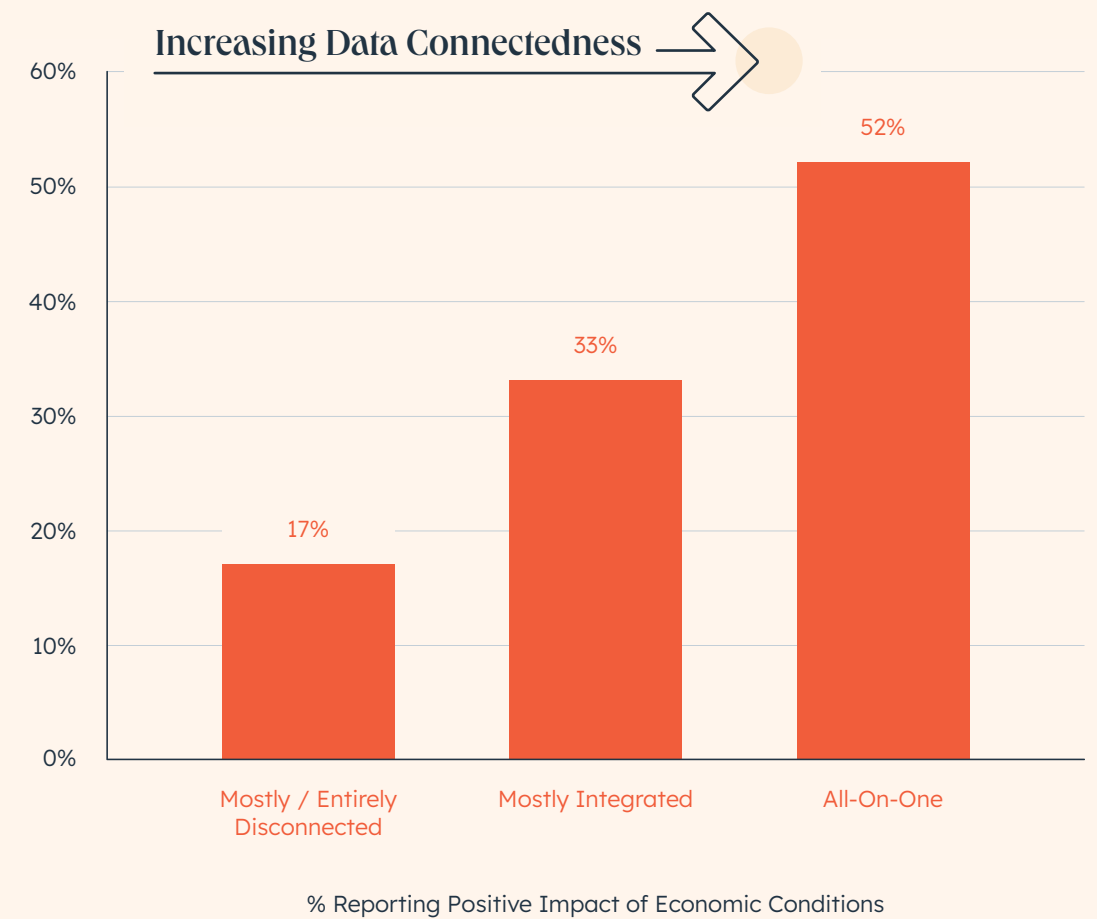- Mostly Integrated: 11%
- All-On-One: 45%

When your CRM tools are all on one platform, you can be more resilient in the face of economic challenges.

Those who reported having an all-on-one platform were more likely to report a positive impact of economic conditions – even in a time when most businesses were negatively impacted.
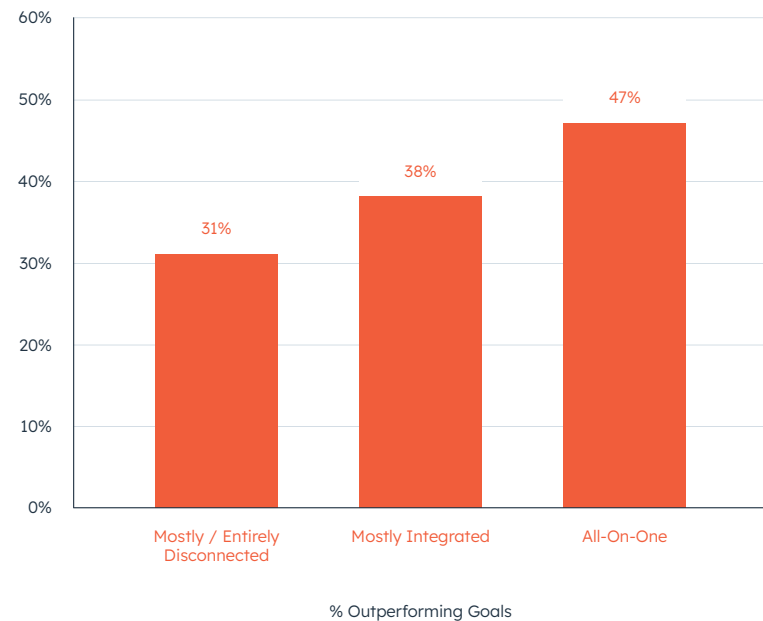
Increasing Integration →

% Reporting Positive Impact of Economic Conditions

	Mostly / Entirely Disconnected	Mostly Integrated	All-On-One
%	25%	34%	52%

Those who reported higher data connectedness also reported a positive impact of economic conditions.

Increasing Data Connectedness →

% Reporting Positive Impact of Economic Conditions

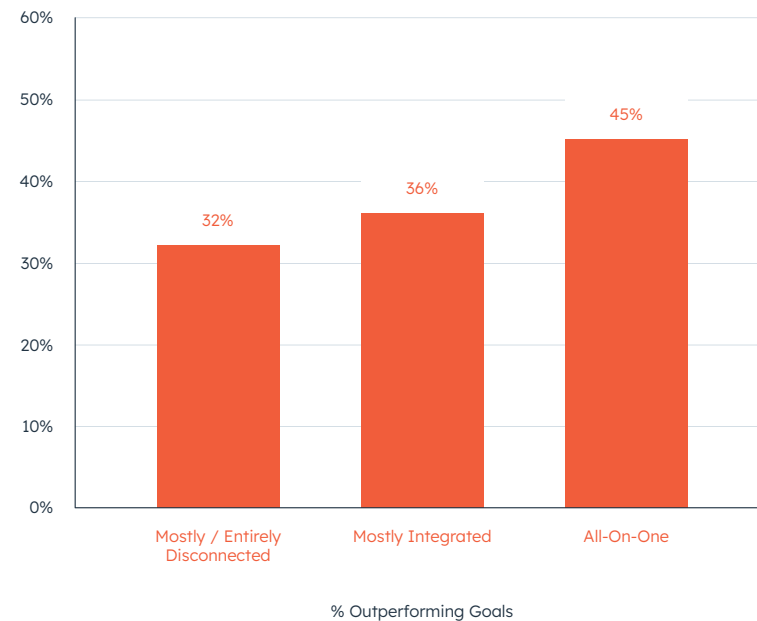| Category	%
Mostly / Entirely Disconnected	17%
Mostly Integrated	33%
All-On-One	52%

When your CRM tools are all on one platform, you can perform better towards your goals.

Marketing, sales, and service goals are all easier to achieve with integrations in place.
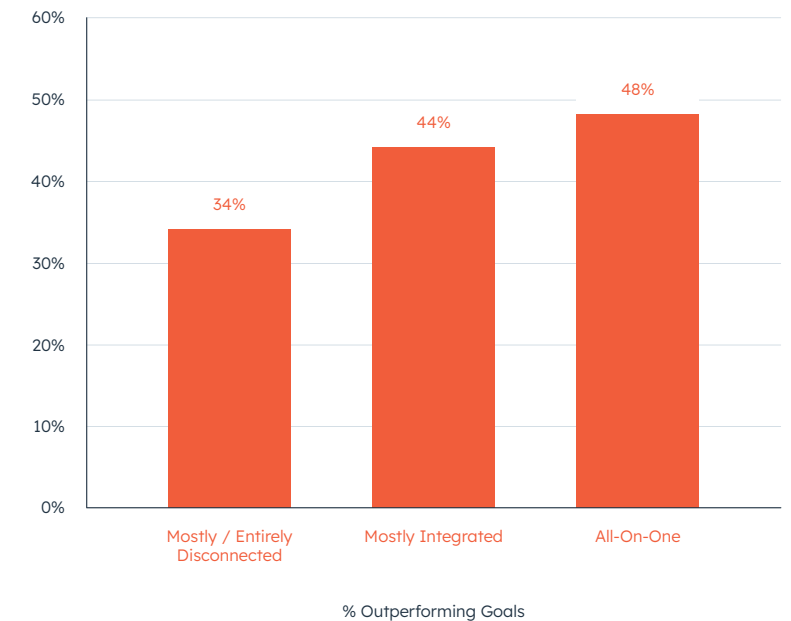
Marketing

% Outperforming Goals

Sales

% Outperforming Goals

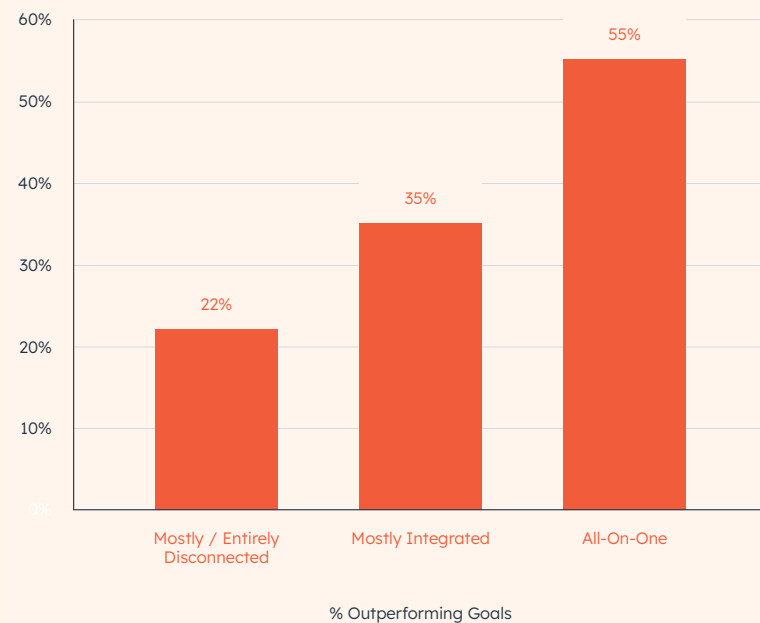### Service

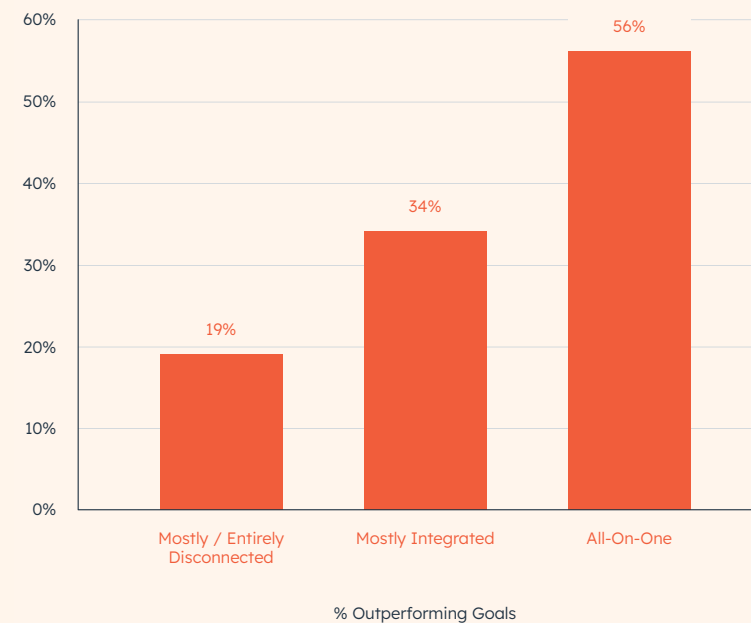% Outperforming Goals

Increasing Integration →

Those who reported higher data connectedness also reported a higher number of marketing, sales, and service goals being reached and even outperformed.

Marketing

% Outperforming Goals

Sales

% Outperforming Goals

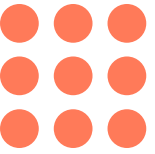**Service**

% Outperforming Goals
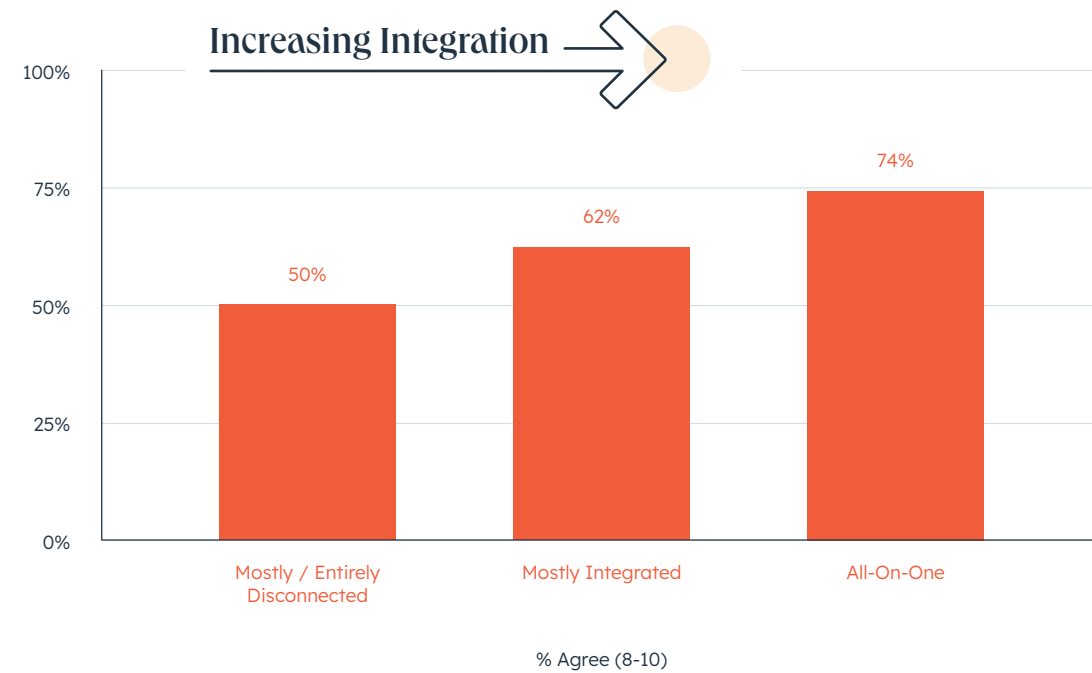
Increasing Data Connectedness →

When your CRM tools are all on one platform, you can build stronger connections with customers.
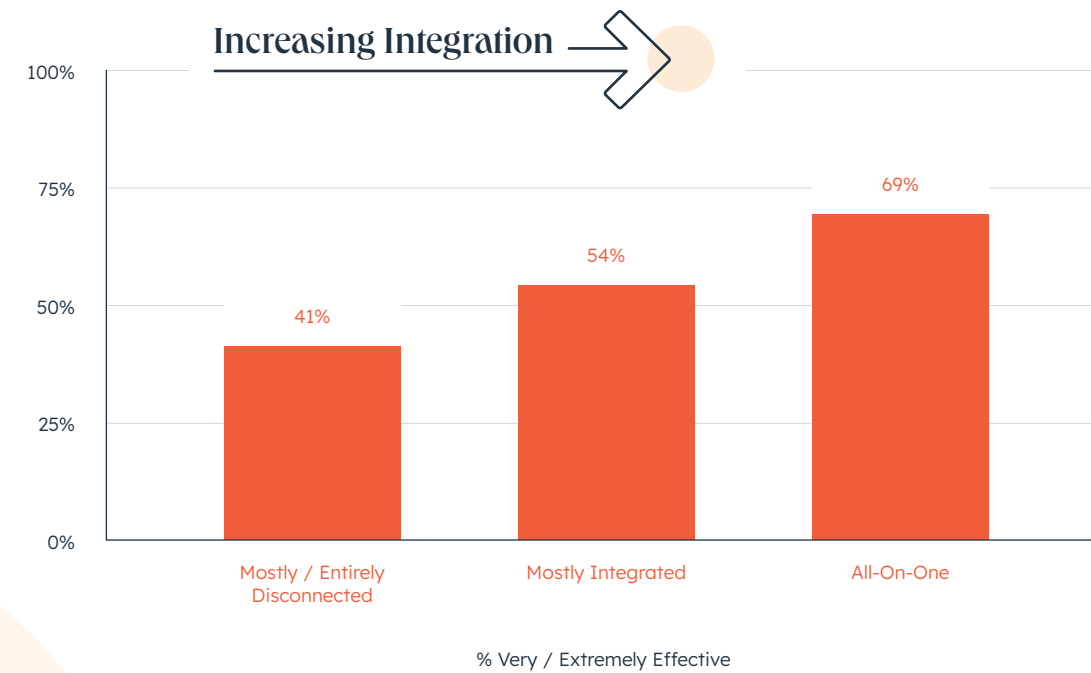
Those who reported having an all-on-one platform were more likely to report having "very strong" connections with customers and a "very/extremely effective" way of connecting with buyers.

Organization Has "Very Strong" Connections with Customers

Increasing Integration

Mostly / Entirely Disconnected	50%
Mostly Integrated	62%
All-On-One	74%

% Agree (8-10)

Sellers' Effectiveness Connecting with Buyers

Increasing Integration

Mostly / Entirely Disconnected	41%
Mostly Integrated	54%
All-On-One	69%

% Very / Extremely Effective

Of those who reported higher data connectedness, 80% reported having "very strong" connections with customers and a "very/extremely effective" way of connecting with buyers.

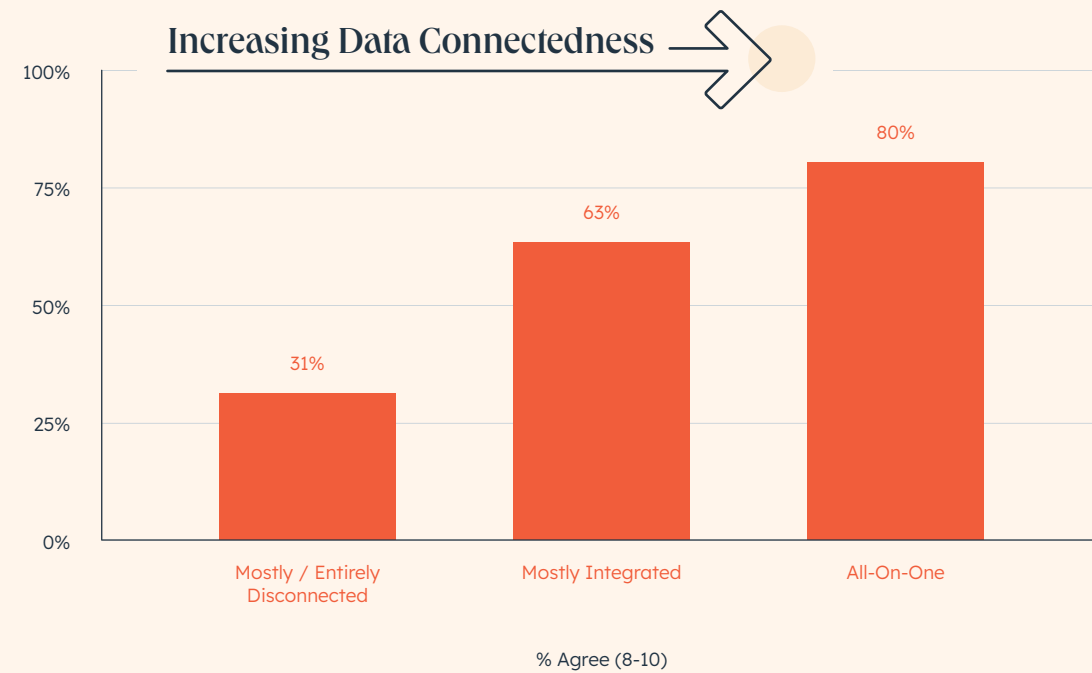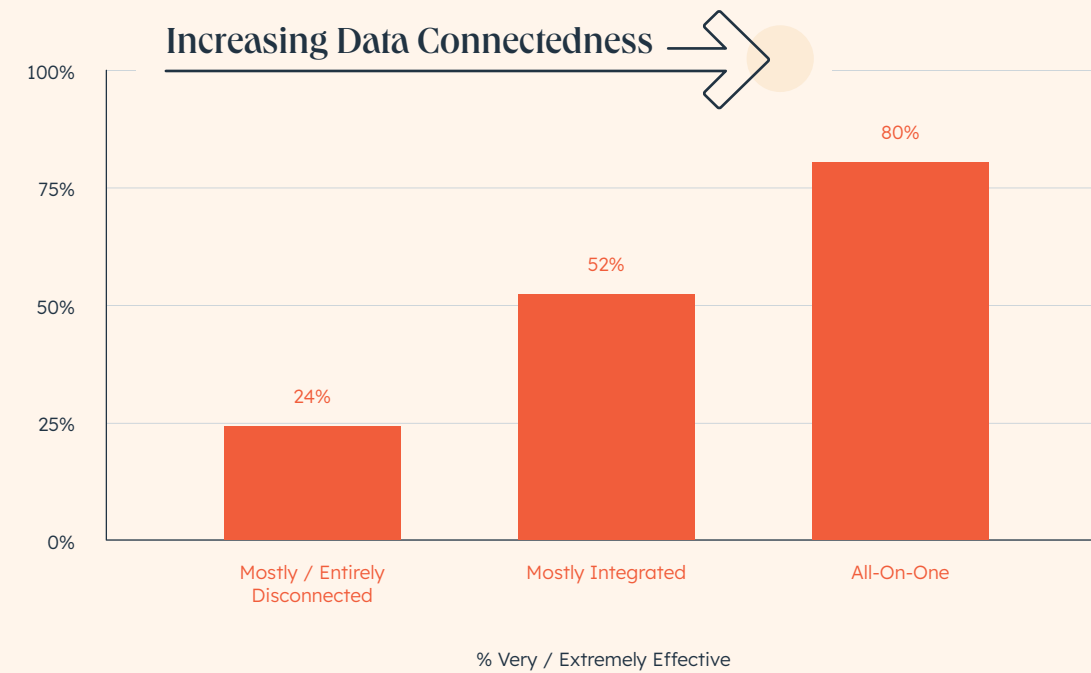## Organization Has "Very Strong" Connections with Customers

Increasing Data Connectedness →

100%	
75%	80%
50%	63%
25%	31%
0%	

Mostly / Entirely Disconnected · Mostly Integrated · All-On-One

% Agree (8-10)

Sellers' Effectiveness Connecting with Buyers

Increasing Data Connectedness →

100%	
75%	80%
50%	52%
25%	24%
0%	

Mostly / Entirely Disconnected · Mostly Integrated · All-On-One

% Very / Extremely Effective
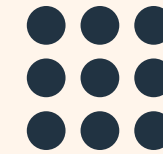
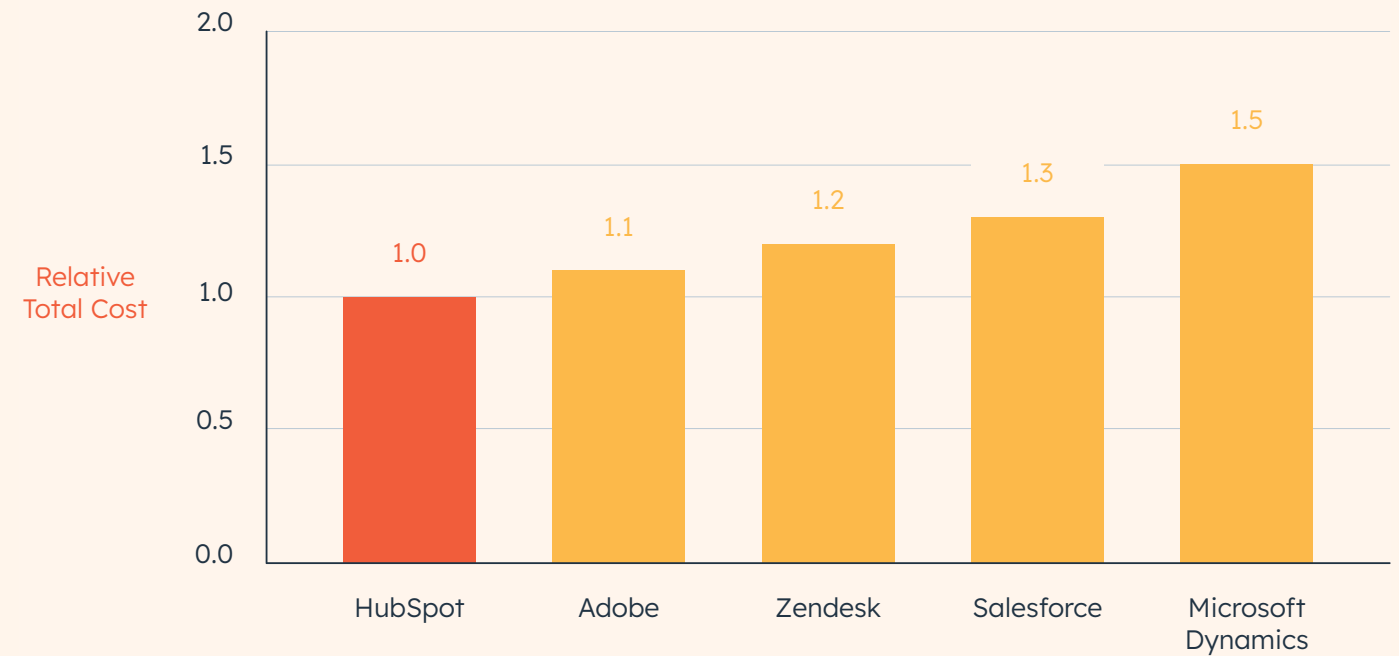When it comes to

The Crisis of Disconnection,

the problem is clear – and so is **the solution.**

HubSpot's all-on-one CRM is the ideal way to address the business challenges arising from a sluggish economy, reduce disconnection, and foster growth.

In our survey, businesses that use HubSpot self-reported spending less in total on their CRM solutions than those who use other platforms, some by nearly 50%.

50%

Relative Total Cost

1.0	1.1	1.2	1.3	1.5
HubSpot	Adobe	Zendesk	Salesforce	Microsoft Dynamics

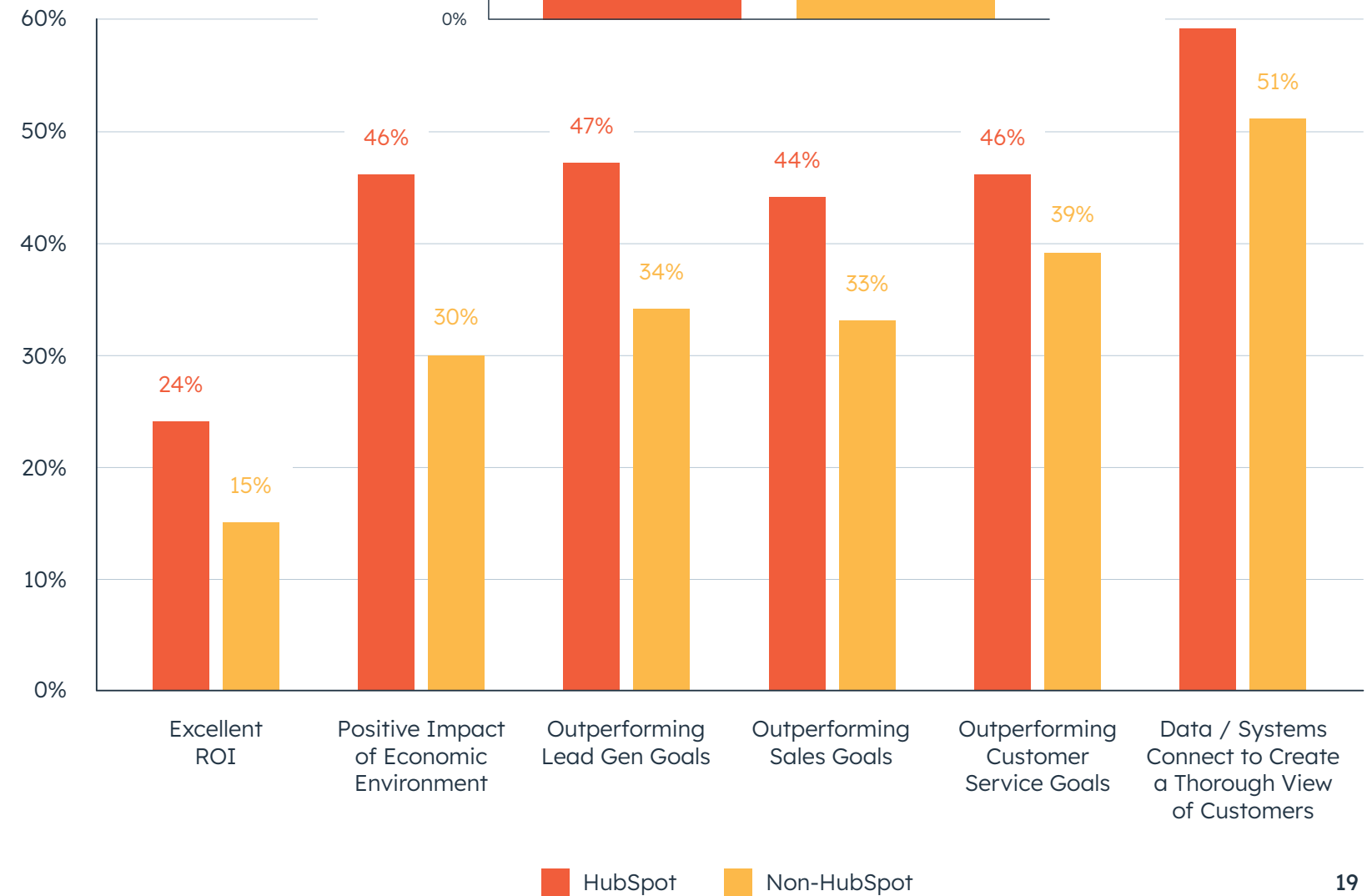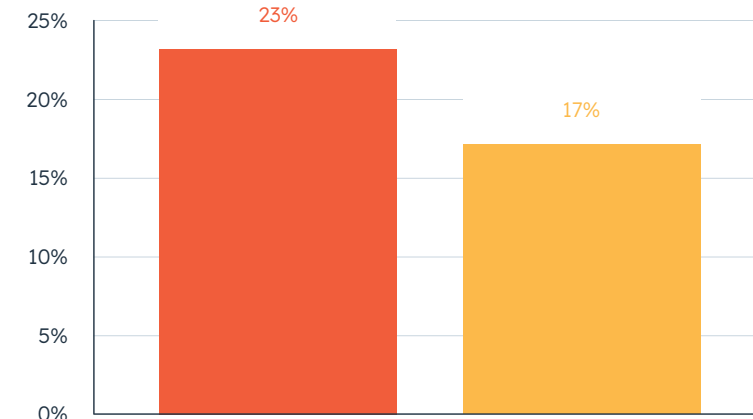Average Relative Total Cost, Based on Cost of Ownership for HubSpot

HubSpot users are more likely to consolidate tools onto one platform.

Grow Better, Connected

Once HubSpot users unify their operations inside of the HubSpot CRM, they see higher ROI, greater resilience, stronger performance towards goals, and a more connected view of their customers.

With HubSpot's all-on-one CRM platform, you can spend less time, less money, and fewer resources consolidating data and systems and more time building deeper connections.

All Tools on One Platform

Chart — All Tools on One Platform:
- HubSpot: 23%
- Non-HubSpot: 17%

Chart — performance metrics (HubSpot vs Non-HubSpot):
- Excellent ROI: 24% / 15%
- Positive Impact of Economic Environment: 46% / 30%
- Outperforming Lead Gen Goals: 47% / 34%
- Outperforming Sales Goals: 44% / 33%
- Outperforming Customer Service Goals: 46% / 39%
- Data / Systems Connect to Create a Thorough View of Customers: 59% / 51%

Legend: ■ HubSpot ■ Non-HubSpot

HubSpot Research Methodology

Summer, 2022

- This data was compiled based on an online survey fielded through Cint/Lucid survey sampling platform

- Total of 1,702 responses collected July-August 2022

- Survey participants had to meet all below criteria to qualify:
  - Age 25+
  - Employed full time
  - Responsible for purchasing/budgeting for CRM tools (including sales, marketing, and service)

- Global view shows data from countries listed below with country distributions as close as possible to their relative size using population data:

  - United States
  - United Kingdom
  - Australia
  - Canada
  - Singapore
  - Germany
  - France
  - Brazil
  - Japan

The results described in this document are based on a survey conducted by HubSpot from July - August 2022 of more than ~1700 individuals who reported they were responsible for purchasing or budgeting for CRM tools. While we have made every attempt to ensure the survey was conducted professionally, we have not independently verified any individual responses, and therefore we cannot be responsible for their accuracy.

All survey results are provided for information purposes only and are "as is", with no guarantee of completeness, accuracy, timeliness, or results obtained from the use of this information, and without warranty of any kind. Please keep in mind that results for individual businesses, including yours and HubSpot's, may differ based on your own markets, customer base, industry, geography, stage, and/or other factors.